**Encouragement for setting up small, agro and rural industries in Punjab**

2257. SHRI HARVENDRA SINGH HANSPAL: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Central Government propose to encourage the setting up small, agro and rural industries in Punjab;

(b) if so, what are the details thereof;

(c) what are the details of licences for setting up industries in Punjab which are pending for clearance with the Cen tral Government;

(d) what steps Government propose to take to expedite the clearance of these pending licences; and

(e) what other benefits Government propose to give to encourage industries in Punjab?

THE MINISTER OF STATE IN THE DEPARTMENT OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES IN THE MINISTRY OF INDUSTRY (SHRI SRI-KANT A JENA): (a) and (b) The Central Government is giving priority tor setting up Small Scale Agr<> and Rural Industries in ali States including Punjab. A paper on "Policy measures for the promotion of small scale and agro-ba^ed industries and changes in procedures for industrial approvals" was laid on the Table of the Rajya Sabha on 31-5-90.

(c) and (d) 99 Industrial Licences applications received for setting up of Industries in the State of Punjab upto 30-6-90 are at various stages of processing. It is the constant endeavour of the Government to dispose of IL applications expeditiously.

(e) The policy paper, *inter-alia* provides 'fir increase in the limit of investment ir( small scale, Ancillary and Tiny Un· ti, reintreduction of Central Investment Subsidy for Small Scale Sector in rural and backward areas, adequate end timely flow of credit through SIDBI, review of reservation policy with a view to increase the items reserved for manufacture in Small Scale Sector, facilities for modernisation and technology uprada-tion for small scale units, training facilities fo entrepreneurs with particular emphasis on training of women and yout and simplification of procedures to reduce bureaucratic controls ejtc. The Government of Punjab can take full advantage of the incentives in ihe policy measures.

**Cost of the second newsprint mill coming up in Punjab**

2258. SHRI DIPEN GHOSH:
SHRI ASHIS SEN:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Government attention have been drawn to news item appearing in ths 'Economic Times' of the 23rd July wherein it has been reported that the second newsprint mill is coming up in Punjab for which the foundation stone was laid by Shri Rajiv Gandhi, the then Prime Minister on the 21st September, 1988;

(b) whether it is a fact that project was initially supposed to cost Rs. 200 crores;

(c) if so, what are the reasons for the rise in its cost to Rs. 305 crores; and

(d) what are the reasons for the delay?

THE MINISTER OF INDUSTRY (SHRI AJ1T SINGH): (a) Yes, Sir,

(b) and (c) The Punjab Agro Industries Corporation Ltd. has reported that the reasons fo$_r$ increase in the project cost to Rs. 305 crores are general escalation in prices of inputs and depreciation in the value of the Rupee.

(d) Delay has been on account of acquisition of land and in obtaining environmental and pollution clearances etc.